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United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

February 8, 2001

The Honorable Daniel Goldin
Administrator
National Aeronautics and Space Administration
300 E Street SW
Washington, DC 20546

Dear Administrator Goldin:

Thank you for your agency's letters of November 13, 2000, and January 19, 2001, concerning the National Aeronautics and Space Administration's (NASA) efforts to train contracting officers in the HUBZone program. (Copies are attached for your convenient reference.) I am pleased to note in your January 19 letter that 153 out of over 600 personnel have attended the Small Business Administration's training program on HUBZone requirements. Please continue to report monthly on your progress in training all 600 personnel, as I continue to insist that all NASA personnel receive HUBZone training before the end of this fiscal year.

Despite that small but noteworthy progress, I remain concerned about NASA's training of its acquisition personnel, particularly in small business program requirements. Recall that my letter of October 17, 2000, called for NASA to develop a corrective action plan to address acquisition training in general, not just in the HUBZone program. In that letter, I mentioned a specific case in which NASA--by its own admission--had mishandled a contract awarded through the Small Disadvantaged Business (SDB) program but had taken no corrective action to prevent a recurrence. NASA's subsequent letters have neglected to address the SDB program failure and have not included a detailed corrective action plan, preferring to leave the initial training to SBA. This is better than nothing, but I do not think it is good enough. I am more optimistic about the second phase of NASA HUBZone training described in the January 19 letter, which presumably will emphasize details unique to NASA.

My concern is that this very general program of training took three months to develop. It should have been relatively straightforward to develop a systematic training program for HUBZone requirements, since systematic training has been required by law for nearly five years. The lack of detail and the slowness to respond have heightened my concern about the state of NASA acquisition training.

Accordingly, I am attaching a series of questions to inquire into NASA's implementation of the training requirements adopted in the Federal Acquisition Reform Act of 1996, commonly referred to as the Clinger-Cohen Act. That Act added section 37 to the Office of Federal Procurement Policy Act, calling for the head of each executive agency, after consulting with the Administrator of the Office of Federal Procurement Policy (OFPP), to adopt "policies and

The Honorable Daniel Goldin
Page Two

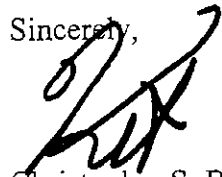
procedures for the effective management (including accession, education, training, career development, and performance incentives) of the acquisition workforce of the agency." (NASA is an executive agency covered by the OFPP Act; see section 4(1)(C).) On September 12, 1997, the OFPP Administrator promulgated Policy Letter 97-01 to implement this provision, calling on agencies to adopt the required policies and procedures by May 1, 1998. By this time, NASA should have fully carried out this provision and have nearly three years of experience under the policies and procedures it adopted.

Training of acquisition personnel is urgently needed. The Federal Acquisition Personnel Information System indicates that about half of the Government's acquisition workforce will be eligible for retirement within this decade or sooner. NASA will find it increasingly difficult to attract and retain contracting staff if it does not provide proper training. Most applicants will not want to be left exposed to personal and agency liability for lapses in compliance with contracting requirements and will tend to avoid positions at such an agency. It is worth noting that the General Accounting Office (GAO) has recently added "human capital management" to its "high risk" areas for special monitoring; moreover, GAO has considered NASA's contract management to be at high risk ever since GAO began making these designations in 1990.

Please include your responses to the attached questions with the monthly report you will send me not later than March 15, 2001. If you have questions about this letter, please contact Cordell Smith of my Senate Small Business Committee staff on (202)224-5175.

Finally, I am puzzled by one feature of NASA's recent letters, submitted by Associate Administrator for Legislative Affairs Edward Heffernan. It appears that the agency has not yet briefed you adequately for you to be able to sign a response letter. I hope by now NASA has become aware of the depth of my concern on this issue, since this is the third letter I have sent you on this subject. I am wondering what it takes to get the NASA Administrator personally engaged on these issues.

Sincerely,



Christopher S. Bond
Chairman
Committee on Small Business, and
Appropriations Subcommittee on VA-HUD-
Independent Agencies

Questions concerning NASA implementation of acquisition personnel training requirements

[1] Section 37(b)(1) of the Office of Federal Procurement Policy Act (OFPP Act), adopted February 10, 1996, requires each executive agency to adopt "policies and procedures for the effective management (including accession, education, training, career development, and performance incentives) of the acquisition workforce of the agency." OFPP Policy Letter 97-01 required such policies and procedures to be adopted by May 1, 1998. Please provide copies of the policies and procedures adopted by NASA under this section. Indicate what portions of these policies and procedures were adopted by May 1, 1998.

[2] Section 37(f) of the OFPP Act requires the heads of all executive agencies to prepare career paths, training requirements, and performance incentives for each category of acquisition personnel identified at section 37(g)(1)(A). Please provide copies of the career paths, training requirements, and performance incentives for each category of acquisition personnel. If this information is included in your response to question [1], please specify where that information may be found in that submission.

[3] For each category of acquisition personnel identified at section 37(g)(1)(A) of the OFPP Act:

[a] how many NASA personnel are covered?

[b] how many NASA personnel referred to in [a] have completed the training requirements?

[c] how many NASA personnel referred to in [a] have completed more than 50% but not all of the training requirements?

[4] Section 37(c) of the OFPP Act vests authority to carry out the directions of the head of each agency, with respect to the OFPP Act's requirements, in the Senior Procurement Executive. Who is NASA's current Senior Procurement Executive? Please identify each person who has held this position since February 10, 1996, and the term that person served, if more than one person has held this position.

[5] Section 220 of Office of Management and Budget Circular A-11 states that agencies should include performance goals such as recruitment, retention, skill development and training, and appraisals linked to program performance, as part of their annual performance plans. Will NASA include such program goals in its Fiscal 2002 performance plan?

Please include your responses to these questions with the monthly report to be submitted not later than March 15, 2001. If you have questions concerning these inquiries, please contact Cordell Smith of the Senate Small Business Committee staff on (202)224-5175.

National Aeronautics and
Space Administration
Headquarters
Washington, DC 20546-0001



NOV 13 2000

L:EL:leg:L/2000-008121

The Honorable Christopher S. Bond
Chairman
Committee on Small Business
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Thank you for your letter dated October 17, 2000 concerning NASA's implementation of the HUBZone program. NASA is committed to effectively implementing the HUBZone program. Our accomplishments in small disadvantaged and women-owned business utilization exceed most other Federal agencies, and we will ensure that HUBZone firms also share in that success. To this end, we agree that systematic training of procurement personnel is a necessary first step.

Although some of our Centers are already providing training on the HUBZone program and some Center employees have attended the Small Business Administration's HUBZone training course, we will institute a mandatory, centrally-administered, training requirement. The Small Business Administration has offered its assistance in providing training and training materials. With their help, particularly through their planned online training, NASA expects to train all our procurement personnel by the end of FY 2001.

Apart from internal training, we will intensify our outreach efforts. Specifically, we will seek out HUBZone firms, make them aware of NASA programs and requirements, and encourage their participation in our procurements.

We will provide you with the periodic status reports as requested. If you have any further questions, please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Heffernan", followed by a horizontal line.

Edward Heffernan
Associate Administrator
for Legislative Affairs

National Aeronautics and
Space Administration
Headquarters
Washington, DC 20548-0001



Reply to Attn of:

L:KS:amb:L/2000-00812f

The Honorable Christopher S. Bond
Ranking Minority Member
United States Senate
Washington, DC 20510

Dear Senator Bond:

By letter dated October 17, 2000, the Committee requested NASA to prepare a plan to organize a systematic training program for procurement personnel as part of our implementation of the HUBZone Program, and to provide the Committee with periodic status reports on the training activities. We informed the Committee of our training plans in our letter of November 13, 2000. This letter is to provide the Committee with a89 status report on the implementation of our training program.

As we reported in November, we have instituted a mandatory, centrally administered training requirement. NASA is using a two-phase approach to its mandatory HUBZone training requirement that we believe is the most efficient means of ensuring training of all procurement personnel in the shortest possible period. The first phase consisted of a one-hour overview presentation of the HUBZone program on December 12, 2000, by Ms. Betty Toulson, the SBA's Deputy Director for the HUBZone Program, to NASA procurement personnel via videoconference. Of the slightly over 600 NASA Center personnel targeted for this training, 153 attended the videoconference, including many of the NASA Center procurement managers and small business specialists. Ms. Toulson's presentation will be provided to all non-attendees by tape or by personal training sessions with the Center procurement managers.

For the second and final phase of the training, we plan a more detailed presentation with discussion of practical examples of HUBZone contracting mechanics. This presentation will also be made via videoconference with flow down of the materials to all employees unable to attend the live session because of space considerations. We will track this flow down until the Centers report that all employees have received the detailed training. Our expectation is to conduct this second phase of training during February or March of this year.

We will continue to provide the Committee with periodic status reports, as requested. If you have any further questions, please contact us.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Heffernan", followed by a horizontal line.

Edward Heffernan
Associate Administrator
for Legislative Affairs